

## SILVER LINING

Terre'Blanche murder brings mistreatment of farm labourers out into the open

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## UNWINNABLE RACE

Stronger rand reins in profit as Phumelela expands overseas

Companies, page 3



## News in Brief

### March business confidence up 0.2 index points

Business confidence last month showed its first year-on-year increase since September 2007, according to the SA Chamber of Commerce and Industry (Sacci). The chamber said yesterday that its business confidence index increased by 0.2 index points from February to 83.2 points. This was 4.3 points higher than in March last year, when it registered its lowest level of 78.9. — Sapa

### Congo opens oil reserves to SA

The Republic of Congo had opened up its rich oil reserves to South African companies, President Denis Sassou Nguesso said yesterday during a state visit to Pretoria. "We have opened up the market to South African companies to get oil permits and come and operate in the Congo," he said. President Jacob Zuma and his Congolese counterpart inked three agreements on economic co-operation, maritime transport and arts and culture. — Sapa-AFP

### US abstains from Eskom loan vote

The US yesterday said it had abstained from supporting the World Bank's \$3.75 billion (R27bn) loan for a coal-fired plant being built by Eskom, saying it was concerned with the environmental impact of the project. "This reflects concerns about the climate impact of the project and its

# MTN Banking sued on patent

## ■ Inventor files R1bn claim for infringement

Bruce Cameron

IN A DAVID and Goliath clash two of South Africa's largest companies, Standard Bank and MTN, have been served with summonses that could result in a claim nearing R1 billion.

The claim is for alleged infringement of technology patents in establishing and running the joint Standard Bank-MTN cellphone banking venture, MTN Banking.

The claim is by 3MFuture Africa, a company controlled by a German information technology expert, Wolfram Reiners, who is a South African permanent resident.

Reiners claims that Standard Bank and MTN used technology developed by him and two others in 2000 to launch and maintain MTN Banking.

The technology allows for credit cards to be securely used where the credit card itself is not present. With the technology the card can be briefly activated electronically when a transaction takes place and then deactivated when out of use. This effectively prevents fraudsters from using the card, even if they have the card details.

In issuing the summonses for

a claim to be heard in the Patents Court in Pretoria, Reiners wants to put a halt to the alleged continued infringement of his internationally registered patents and requires full details of how much profit the two companies have made as a consequence of their alleged use of the patented technology.

Reiners has chosen to take his case to the Patents Court initially because his legal advisers say he can get a court date by early next year while a high court case will be a far more drawn out affair.

The extent of the profits will define the rand amount of the claim that will be made. At this stage the estimate ranges from a low of R300 million up to a maximum of R950m.

Reiners has retained the services of Heath Executive Consultants, which is headed by former anti-corruption judge, advocate Willem Heath, to do the forensic investigations into the infringements.

Reiners says that between April 2001 and November 2002 he held more than 20 meetings with Standard Bank at its request after an initial meeting to interest them in the technology.

During this period a meet-

ing was also allegedly held with Santie Botha, who at the time was the Absa Bank director in charge of marketing, who then moved to take over as marketing director of MTN. She was provided with extensive details on the technology.

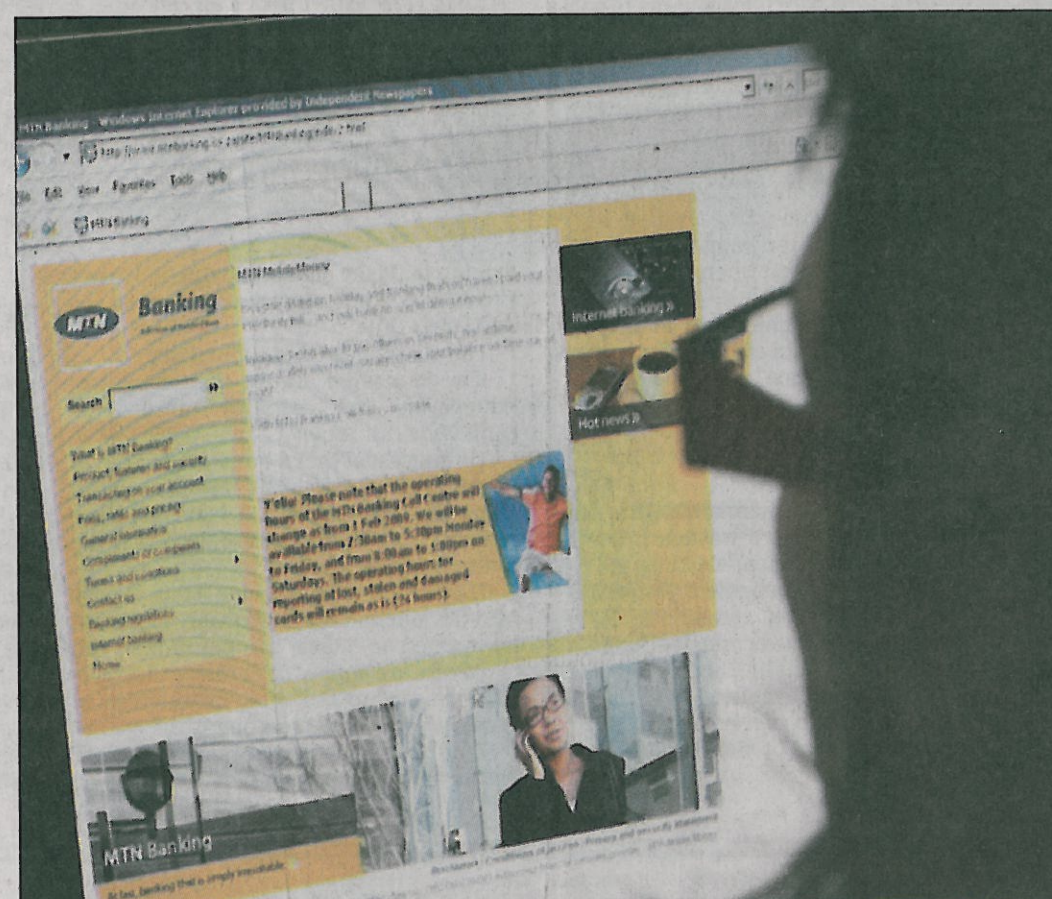
Meetings with Standard Bank included managing director Peter Wharton-Hood, six bank directors and four senior managers, many of whom are now with MTN Banking.

Reiners says initially Standard Bank proposed a "rush order" to put the system in place before Christmas 2001.

### Reiners has chosen to take his case to the Patents Court as he can get a court date by early next year.

Standard Bank also asked that Mastercard and Visa certify the technology, which Mastercard duly did.

In 2002 Standard Bank sent Reiners an official "request for



Some of the technology that runs MTN Banking is subject to a R1 billion claim.

PHOTO: SIMPHIWE MBOKAZI

information" which required Reiners to provide the bank with the "full operational details and specifications" and a proposal for implementation of a system based on the patented technology.

By this stage Standard Bank had extensive knowledge of the patented technology.

Reiners heard nothing further after sending the required information to Standard Bank.

The company that at that time held the patents was closed down, the patents were sold to 3MFuture and Reiners returned to Germany.

In August 2006 MTN Banking was launched with patents being registered by both MTN and Standard Bank.

Reiners heard about the launch and started his own investigation, which resulted in the summonses being served on the two companies this week.

Reiners also intends to challenge the validity of the MTN and Standard Bank patents on the basis that there are only slight variations between the two lots of patents.

Erik Larsen, Standard Bank head of corporate communications, confirmed that a summons

had been served on the bank. He says the summons "needs to be considered before we are able to provide any comment".

By late yesterday there was confusion over whether summonses had been served on MTN.

Marius Heath, of Heath Consultants, confirmed that summonses had been served on Standard Bank, MTN Group and MTN Banking.

However, Theko Mabona, MTN's group senior legal counsel, said: "MTN has not been served with a summons. Should we be served we will obviously attend to the matter."

## Loan vote a tough decision for bank directors

Ingi Salgado

THE BOARD of the World Bank was locked in a meeting in Washington last night to decide whether to grant South Africa a \$3.75 billion (R27bn) loan, with at least one country confirming beforehand that it would abstain from the vote.

The bank had not communicated its decision by the time Business Report went to print.

It emerged yesterday that the Netherlands would abstain from voting, possibly along with the US and UK. This could pave the way for other World Bank directors to vote in favour of the loan.

The South African government says the loan is critical to avoid a power crunch. But it has triggered controversy because the bulk will fund the Medupi coal-fired power station, raising carbon emissions and benefiting the ANC government, whose investment arm, Chancellor House, owns 25 percent of a company that won a R38.5bn contract to supply boilers for Medupi.

Reuters quoted the Dutch Foreign Ministry as saying it had asked its World Bank representative to refrain from voting, citing a lack of progress in South Africa on developing renewable energy alternatives.

The US Treasury declined this week to say how it would cast its vote, but Public Enterprises Minister Barbara Hogan said last month that the US had indicated it would

# Ministerial spending is out of control, claims DA